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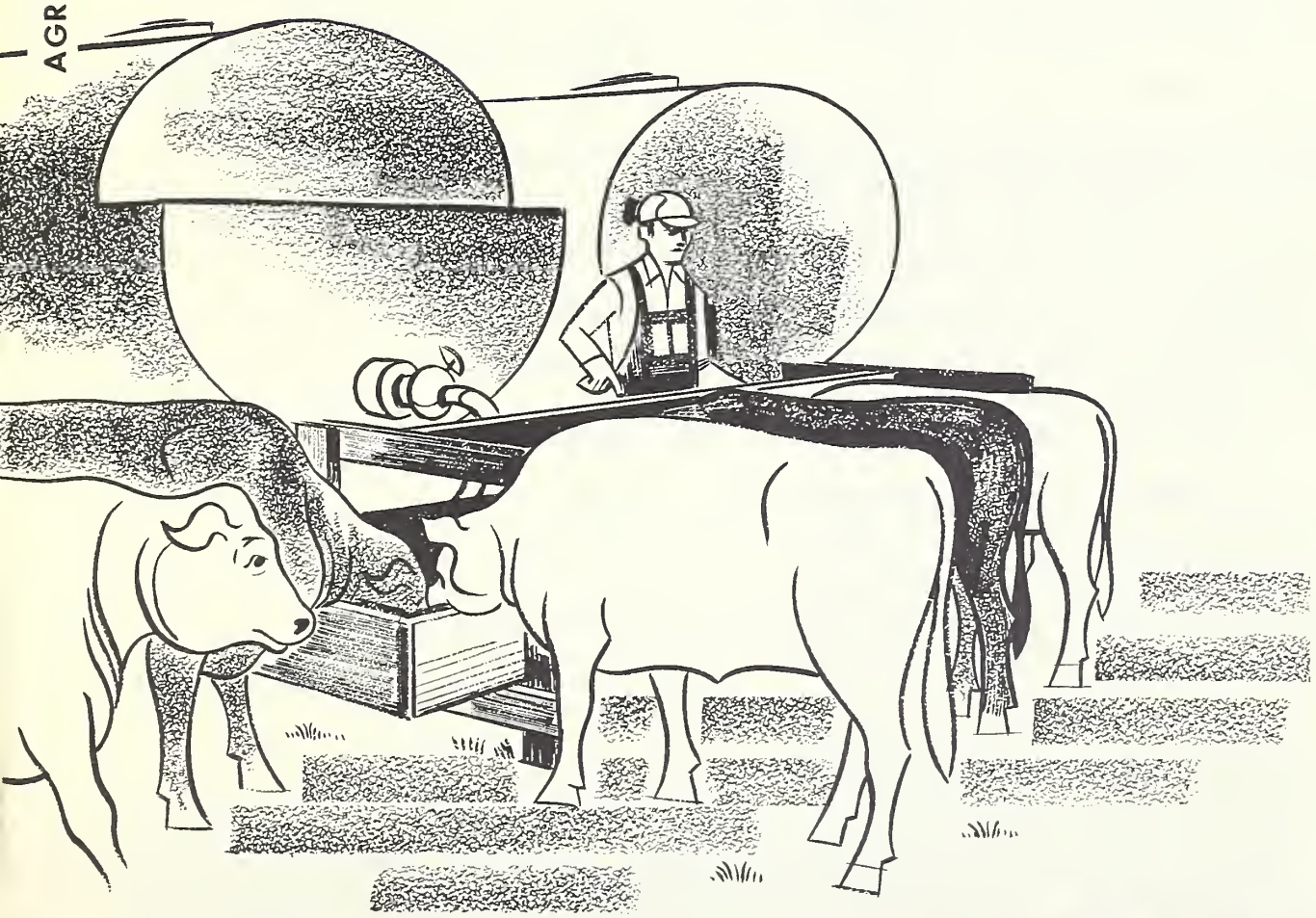
Molasses MARKET NEWS



ANNUAL SUMMARY 1962

AMS-79 (1962)

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Grain Division
Agricultural Marketing Service

February 1963

HIGHLIGHTS OF 1962

Prices of most kinds of molasses averaged higher in 1962, but citrus molasses prices turned lower. The price relationship between molasses and other carbohydrate feeds continued less favorable for molasses. Supplies of molasses available in 1962 totaled 600 million gallons -- 6 percent more than in 1961 and well above average. Domestic production was at an all-time high, but Puerto Rican shipments to the mainland decreased. Imports from foreign countries increased but were still below average for the preceding 5 years. Exports, although relatively small in total, ran 50 percent larger than in 1961. Use of molasses in livestock feed went up 8 percent in 1962 and was second only to the record quantity fed in 1960. Producers of yeast, citric acid and vinegar took more molasses in 1962, but molasses used for distillation and other industrial purposes declined.

PRICES

Blackstrap Molasses

The price of blackstrap molasses at New Orleans averaged 14.11¢ per gallon for 1962. This compared with 13.56¢ for 1961. Prices of blackstrap molasses averaged around 1/2¢ per gallon higher at the 24 principal markets in 1962. As a result, annual average prices at most points stood at the highest levels since 1957. Prices started rising in February and edged slowly but steadily upward through May. The trend showed little or no change from June through September. With the onset of cold weather and the heavy livestock feeding season, prices advanced sharply the final three months of 1962. At the end of December, prices at the 24 principal markets averaged almost 3 1/4¢ per gallon higher than in December 1961 and the highest for that month since 1956.

Although prices turned upward on a nationwide average, the advance was not uniform in all areas. Annual average prices were up nearly 3/4¢ per gallon in the West, 0.6¢ in the Gulf and Midwest, and about 1/4¢ on the East Coast and in the Northeast. The same situation prevailed in the case of December average prices. They were up almost 5¢ from a year earlier in the Midwest, about 4¢ in the Gulf, 3 1/2¢ in the West, and around 1 1/4¢ on the East Coast and in the Northeast.

The spread in prices between New Orleans and other principal markets at the end of December was notably different from other recent years. Prices at other markets normally range from about 1/2¢ to 8¢ per gallon above the New Orleans price. In December 1962, however, prices in Houston, Florida, Baltimore, Philadelphia, New York, and Albany were below the New Orleans price. Prices at most other Gulf and East Coast markets were either about on a par or less than 1/2¢ above New Orleans. The spread was widest as usual in the Midwest, where it ranged from around 5¢ in Chicago to about 7¢ in Denver. West

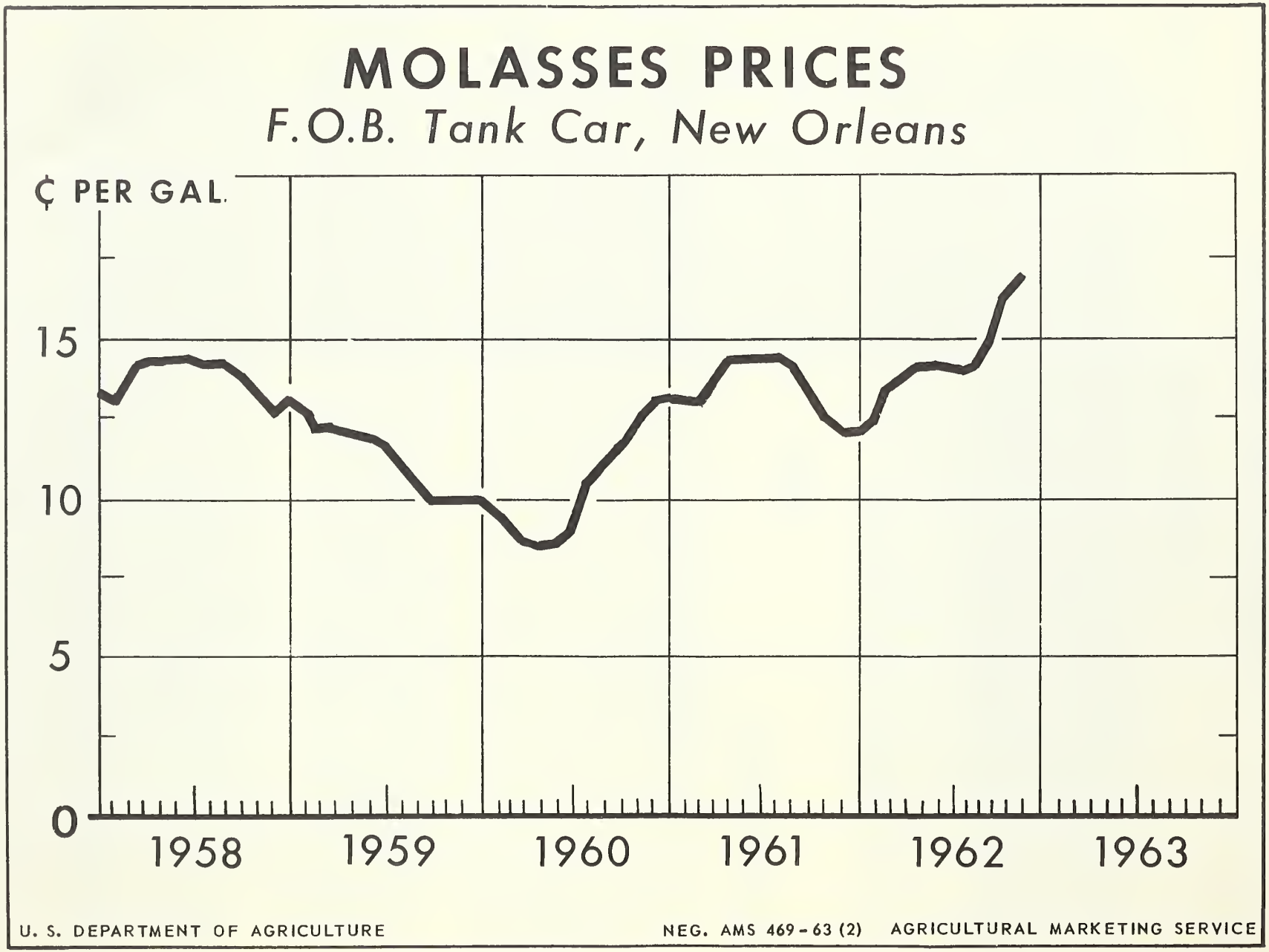
MOLASSES PRICES
F.O.B. Tank Car, New Orleans
¢ PER GAL.
15
10
5
0
1958
1959
1960
1961
1962
1963
U. S. DEPARTMENT OF AGRICULTURE
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FIGURE 1

Coast prices were less than 1/2¢ above New Orleans at the end of December, compared with a spread of about 1 1/2¢ in December 1961.

Denver prices continued to show a differential between tank car and tank truck deliveries. Mexican blackstrap molasses goes to Denver on a through transportation rate. This rate is lower than either the tank car or tank truck rates to Denver from other sources of blackstrap molasses.

Beet Molasses

Prices of beet molasses averaged around 85¢ per ton higher in 1962 than in 1961 in the four principal market areas. The upturn varied by areas, however. Annual average prices went up 47¢ per ton in Denver, 59¢ in the Colorado-Wyoming-Montana area, 94¢ in Minneapolis, and $1.37 in the Oregon-Utah-Idaho-Missoula, Montana area.

Beet molasses prices were unchanged throughout 1962 in the Oregon-Utah-Idaho-Missoula, Montana area. They followed a similar course in the Denver and the Colorado-Wyoming-Montana areas until the final month or two of the year when they turned upward. The trend was somewhat different at Minneapolis where the upswing came in March and April. Prices held steady from May through August. No quotations were available for the rest of the year, however.

Stability of beet molasses prices is due for the most part to the general practice of selling the major part of the crop on seasonal or yearly contracts. Also, the cost of transporting blackstrap molasses into beet molasses areas helps reduce competition from blackstrap.

Citrus Molasses

Citrus molasses prices fluctuated throughout 1962. Although month-to-month changes were relatively small, the annual average price was $1.29 per ton lower than in 1961. Prices worked progressively lower the first 9 months when the supply was relatively plentiful and demand was slow. Prices recovered some of the early loss when the market strengthened during the last quarter of 1962 in line with the upturn in blackstrap. Average price for December was $1.67 per ton below the December 1961 average.

Corn (Hydrol) Molasses

Prices of corn (hydrol) molasses averaged nearly 50¢ per ton higher in 1962 than in 1961 at Chicago but about 25¢ lower at Kansas City. Month-to-month changes stayed within narrow bounds from January through September. However, prices advanced sharply and steadily during the last three months as was the case of all molasses price trends. At the end of the year, the December average price of corn (hydrol) molasses was $4.75 per ton higher than 1961 in Chicago and $3.83 higher in Kansas City.

Table 1.--Molasses, blackstrap: Prices by months, f.o.b. tank car, 1958-62

Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Av.
						--Cents per gallon--							
New Orleans													
1958	13.31	13.09	13.47	14.30	14.40	14.40	14.43	14.25	14.13	13.75	13.06	12.63	13.77
1959	13.09	12.72	12.19	12.18	12.00	11.83	11.44	10.84	10.15	9.88	9.88	9.88	11.34
1960	9.88	9.47	9.00	8.60	8.45	8.50	8.90	10.23	11.12	11.75	12.62	13.00	10.13
1961	13.10	13.04	13.06	13.75	14.40	14.50	14.50	14.44	14.06	13.28	12.44	12.13	13.56
1962	12.13	12.44	13.38	13.69	13.95	14.00	13.90	13.88	14.00	14.90	16.19	16.83	14.11
Houston-Beaumont													
1958	14.00	14.00	14.25	15.60	16.00	16.00	16.00	16.00	16.00	15.25	13.62	12.28	13.76
1959	12.10	12.30	12.04	12.00	12.00	12.00	12.00	11.60	10.96	10.50	10.50	10.50	11.54
1960	9.49	10.06	10.06	10.06	9.49	9.49	9.49	10.87	11.53	12.30	12.80	13.15	10.73
1961	13.32	13.33	13.35	14.01	14.63	14.52	14.50	14.50	14.13	13.73	13.34	12.95	13.85
1962	12.75	12.89	13.68	14.10	14.35	14.35	14.35	14.35	14.35	15.65	16.44	16.67	14.49
Corpus Christi													
1958	14.00	14.00	14.37	15.60	16.00	15.80	16.00	16.00	16.00	15.25	13.75	13.00	14.98
1959	13.81	13.44	12.87	12.80	12.50	13.30	12.44	11.94	11.30	11.19	11.25	11.25	12.34
1960	11.62	10.31	10.10	10.19	10.00	10.00	10.12	10.90	12.25	12.50	13.20	13.50	11.22
1961	13.90	14.00	14.00	14.19	14.75	14.75	14.75	14.75	14.65	14.30	13.92	13.50	14.29
1962	13.25	13.30	14.18	14.50	14.66	14.70	14.70	14.70	14.70	15.90	16.70	16.87	14.85
El Paso													
1958	14.80	14.50	15.80	17.00	17.50	17.50	17.50	17.12	17.00	17.00	16.20	16.00	16.49
1959	16.00	16.00	16.00	16.00	16.00	16.00	16.00	15.62	15.50	15.50	15.50	14.56	15.72
1960	14.03	13.44	12.28	11.69	11.69	11.69	11.69	11.69	12.90	13.20	13.94	14.33	12.76
1961	14.78	14.90	14.90	14.90	15.26	15.20	14.90	14.90	14.90	14.42	14.30	13.70	14.75
1962	13.70	13.60	14.45	14.90	15.26	15.50	15.50	15.50	15.50	15.98	16.70	17.20	15.32
Mobile													
1958	13.70	13.70	13.95	14.82	15.20	15.12	15.04	14.78	14.70	14.15	13.27	12.81	14.27
1959	13.64	13.09	12.84	12.51	12.26	12.67	11.80	11.20	10.78	10.50	10.50	10.46	11.85
1960	10.50	10.05	9.47	9.15	8.90	8.87	9.14	10.55	11.62	11.93	12.85	13.00	10.49
1961	13.50	13.50	13.50	13.80	14.60	14.70	14.70	14.70	14.56	13.70	12.97	12.85	13.92
1962	12.70	12.79	13.75	14.20	14.38	14.50	14.50	14.50	14.39	15.30	16.35	17.17	14.54

Florida

1958 .....:	13.75	13.75	14.50	14.79	14.92	14.95	15.02	14.68	14.54	14.76	15.01	14.51	14.60
1959 .....:	14.56	14.69	14.50	14.40	14.12	14.00	13.81	13.28	12.51	12.11	11.85	11.77	13.46
1960 .....:	11.75	11.75	11.53	11.43	11.35	11.35	11.41	11.87	12.13	12.49	13.32	13.76	12.01
1961 .....:	13.75	14.00	14.00	14.18	14.90	15.00	15.25	15.25	15.25	14.95	14.31	14.25	14.59
1962 .....:	14.00	14.00	14.36	14.66	14.77	14.85	14.85	14.85	14.85	15.22	16.06	16.75	14.93

Savannah, Ga.-Wilmington, N. C.

1958 .....:	15.00	15.00	15.25	15.55	16.20	16.47	16.47	16.47	16.47	16.47	16.27	15.50	15.93
1959 .....:	15.35	15.50	15.50	15.50	15.19	15.15	14.81	13.69	13.45	12.75	12.75	12.75	14.36
1960 .....:	12.55	12.75	12.75	12.75	12.75	12.75	12.75	12.75	12.94	13.50	13.50	13.80	12.96
1961 .....:	13.75	13.75	13.75	14.44	14.90	15.00	15.00	15.00	15.00	15.00	14.81	14.75	14.60
1962 .....:	14.75	14.94	15.44	15.63	15.75	15.75	15.75	15.75	15.75	16.00	16.94	18.50	15.91

Baltimore, Md.-Norfolk, Va.

1958 .....:	17.50	17.50	17.50	17.50	17.50	17.50	17.50	17.31	17.25	16.81	16.50	16.10	17.21
1959 .....:	15.56	15.50	15.50	15.50	15.50	15.50	15.50	15.50	15.50	15.50	15.50	15.50	15.51
1960 .....:	14.94	13.50	13.50	13.50	13.25	13.25	13.25	13.25	13.25	13.25	13.55	13.80	13.52
1961 .....:	15.65	15.75	15.75	15.75	15.75	15.50	15.50	15.50	15.50	15.50	15.50	15.33	15.58
1962 .....:	15.00	15.06	15.38	15.63	15.65	15.50	15.50	15.50	15.50	15.90	16.31	16.42	15.61

Philadelphia

1958 .....:	17.75	17.38	17.25	17.25	17.25	17.25	17.25	17.25	16.65	16.63	16.44	15.40	16.97
1959 .....:	15.25	15.25	15.25	15.25	15.25	15.25	15.25	15.25	15.25	15.25	15.25	15.25	15.25
1960 .....:	14.81	13.50	13.45	13.25	13.25	13.25	13.25	13.25	13.25	13.25	13.55	13.80	13.48
1961 .....:	14.75	14.75	14.75	15.19	15.50	15.50	15.50	15.50	15.50	15.40	15.25	15.17	15.23
1962 .....:	15.00	15.25	15.50	15.50	15.50	15.31	15.25	15.25	15.25	15.40	15.69	16.33	15.44

New York

1958 .....:	18.00	18.00	18.00	18.00	18.00	18.00	18.05	18.00	18.00	17.00	17.00	16.20	17.69
1959 .....:	16.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00	15.62	15.25	15.25	15.84
1960 .....:	14.81	13.50	13.50	13.50	13.50	13.50	13.50	13.50	13.50	13.50	13.90	14.25	13.70
1961 .....:	15.50	15.75	15.75	15.75	15.75	15.75	15.75	15.75	15.75	15.75	15.75	15.75	15.73
1962 .....:	15.75	15.75	15.75	15.75	15.75	15.75	15.75	15.75	15.75	15.75	15.87	16.00	15.78

Table 1 - (Continued).--Molasses, blackstrap: Prices by months, f.o.b. tank car, 1958-62

Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Av.
						--Cents per gallon--							
						Boston							
1958	18.50	18.50	18.50	18.50	18.50	18.50	18.50	18.50	18.50	17.50	17.50	16.70	18.18
1959	16.50	16.50	16.50	16.50	16.50	16.50	16.50	16.50	16.50	16.50	16.50	16.50	16.50
1960	15.88	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.40	14.75	14.25
1961	16.05	16.25	16.25	16.25	16.25	16.00	16.00	16.00	16.00	16.00	16.00	16.00	16.09
1962	16.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00	16.31	16.83	16.09
						Albany							
1958	18.50	18.50	18.50	18.50	18.50	18.50	18.50	18.50	18.50	17.50	17.50	16.70	18.18
1959	16.50	16.50	16.50	16.50	16.50	16.50	16.50	16.50	16.50	16.50	16.50	16.50	16.50
1960	15.88	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.40	14.75	14.25
1961	16.05	16.25	16.12	16.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00	16.04
1962	16.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00	16.31	16.33	16.05
						Buffalo							
1958	22.90	22.90	22.90	22.42	22.30	22.30	22.30	22.30	22.30	21.40	21.40	20.60	22.16
1959	20.40	20.40	20.40	20.40	20.40	20.40	20.40	20.40	20.40	20.40	20.40	20.40	20.40
1960	19.78	17.90	17.90	16.78	16.40	16.40	16.40	16.40	16.40	16.40	16.80	17.40	17.08
1961	18.98	19.10	19.10	19.10	19.10	19.10	19.10	19.10	19.10	19.10	19.10	19.10	19.09
1962	19.10	19.10	19.10	19.10	19.10	19.10	19.10	19.10	19.10	19.10	19.31	19.48	19.15
						Cincinnati							
1958	19.25	18.95	19.28	20.08	20.10	20.10	20.11	19.95	19.82	19.38	18.67	18.22	19.49
1959	18.85	18.35	17.78	17.70	17.70	17.50	17.15	16.48	15.82	15.50	15.50	15.50	16.98
1960	15.50	15.17	14.72	14.30	14.00	14.00	14.51	15.70	16.70	17.45	18.30	18.73	15.76
1961	18.73	18.73	18.73	19.50	20.06	20.23	20.23	20.23	19.77	18.92	18.05	17.90	19.24
1962	17.70	18.23	19.10	19.50	19.70	19.70	19.70	19.70	19.70	20.60	21.82	22.63	19.84
						Minneapolis							
1958	19.30	19.30	19.30	19.30	19.90	20.02	20.14	20.20	20.20	20.12	19.90	20.02	19.81
1959	20.50	20.13	19.98	19.66	19.60	19.60	19.38	18.40	17.32	17.28	17.50	17.50	18.90
1960	17.30	16.70	16.33	16.10	15.80	15.80	16.10	16.86	17.48	17.95	18.70	19.30	17.04
1961	19.30	19.30	19.30	19.90	20.50	20.50	20.50	20.50	20.50	20.14	19.45	19.30	19.93
1962	19.30	19.30	19.45	19.90	19.90	19.90	19.90	19.90	19.90	20.96	21.75	23.00	20.26

Chicago 1/													
1958	18.41	18.30	18.63	19.52	19.50	19.40	19.52	19.37	19.30	19.08	18.33	17.92	18.94
1959	18.44	18.01	17.53	17.40	17.27	17.10	16.63	15.80	15.14	14.85	14.78	14.86	16.48
1960	14.60	14.00	13.90	13.30	12.77	12.49	12.64	13.87	14.69	15.69	16.60	16.95	14.29
1961	17.00	16.85	16.85	17.46	18.00	18.43	18.17	17.99	17.62	17.06	16.51	16.15	17.34
1962	16.04	16.64	17.05	17.30	17.89	17.84	17.80	17.80	17.88	18.70	20.62	21.85	18.12
St. Louis													
1958	17.55	17.20	17.70	18.60	18.70	18.70	18.64	18.70	18.25	17.87	17.28	16.74	17.99
1959	17.43	16.93	16.25	16.44	16.20	16.04	15.70	15.00	14.30	14.05	14.20	14.20	15.56
1960	14.10	13.65	13.22	12.85	12.64	12.70	13.03	14.50	15.03	15.95	16.80	17.20	14.31
1961	17.20	17.20	17.20	17.88	18.54	18.70	18.70	18.70	18.30	17.64	16.63	16.27	17.75
1962	16.20	16.53	17.45	17.78	18.00	18.00	18.00	18.00	18.00	19.00	20.12	21.40	18.21
Kansas City													
1958	19.07	18.85	19.33	20.12	20.32	20.40	20.16	20.02	19.90	19.68	18.87	18.48	19.60
1959	18.85	18.35	17.93	17.86	17.65	17.66	17.15	16.48	15.96	15.70	15.70	15.70	17.08
1960	15.65	15.22	14.76	14.35	14.16	14.20	14.53	15.98	16.70	17.58	18.40	18.73	15.86
1961	18.70	18.70	18.70	19.55	20.20	20.30	20.30	20.23	19.78	18.84	18.23	17.80	19.28
1962	17.80	18.20	19.10	19.50	19.80	19.80	19.80	19.80	19.58	20.78	21.97	23.03	19.93
Memphis													
1958	16.85	16.63	17.00	18.04	18.30	17.67	18.20	17.92	17.58	17.42	16.68	16.32	17.38
1959	17.03	16.53	16.05	16.06	15.70	15.58	15.03	14.65	13.88	13.65	13.80	13.80	15.14
1960	13.65	13.02	12.72	12.43	12.08	12.15	12.61	13.76	14.78	15.45	16.40	16.75	13.82
1961	16.70	16.70	16.70	17.28	17.90	18.05	17.94	17.77	17.66	16.96	16.10	15.90	17.14
1962	15.77	16.22	17.01	17.35	17.58	17.65	17.50	17.50	17.50	18.40	19.75	20.67	17.74
Denver 2/													
1958	26.30	26.30	26.43	27.52	28.00	28.00	26.10	24.00	23.94	23.40	22.78	22.96	25.48
1959	23.20	21.65	21.30	21.12	20.93	20.62	20.35	18.95	19.04	18.80	18.50	18.40	20.23
1960	18.25	17.80	17.40	17.38	17.31	17.30	17.30	19.20	19.13	18.25	18.46	19.50	18.11
1961	19.78	20.10	20.61	20.75	20.96	21.25	21.10	21.10	21.10	20.68	20.50	20.20	20.68
1962	20.20	20.54	21.07	21.30	21.60	21.90	21.90	21.90	21.90	22.38	23.10	23.75	21.79

1/ Price basis: February-March 1960 - barge and rail; May and June 1960 - average tank truck and tank car; July 1960-December 1962 - tank truck.

2/ Price basis: August 1958-December 1962 - tank truck and tank car.

Table 1 - (Continued).--Molasses, blackstrap: Prices by months, f.o.b. tank car, 1958-62

Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Av.
						--Cents per gallon--							
						Los Angeles							
1958	14.00	14.00	14.00	14.40	14.60	14.60	14.60	14.60	14.60	14.60	14.18	13.50	14.32
1959	13.50	12.90	12.90	12.90	12.60	12.60	12.60	12.38	11.70	11.70	11.70	11.70	12.43
1960	11.70	11.70	11.40	11.40	11.40	11.40	11.55	12.48	12.90	13.20	13.94	14.30	12.28
1961	14.78	14.90	14.90	14.90	15.08	15.05	14.90	14.90	14.90	14.42	14.30	13.70	14.73
1962	13.70	13.85	14.45	14.90	15.26	15.50	15.50	15.50	15.50	15.98	16.70	17.20	15.34
						Richmond							
1958	14.00	14.00	14.00	14.60	14.60	14.60	14.60	14.60	14.60	14.60	14.18	13.50	14.32
1959	13.50	12.90	12.90	12.90	12.60	12.60	12.60	12.38	11.70	11.70	11.70	11.70	12.43
1960	11.70	11.70	11.40	11.40	11.40	11.40	11.55	12.48	12.90	13.20	13.94	14.30	12.28
1961	14.78	14.90	14.90	14.90	15.25	15.20	14.90	14.90	14.90	14.42	14.30	13.80	14.76
1962	13.70	13.85	14.45	14.90	15.26	15.50	15.50	15.50	15.50	15.98	16.70	17.20	15.34
						Stockton							
1958	14.00	14.00	14.00	14.00	14.60	14.60	14.60	14.60	14.60	14.60	14.18	13.50	14.27
1959	13.50	12.90	12.90	12.90	12.60	12.60	12.60	12.38	11.70	11.70	11.70	11.70	12.43
1960	11.70	11.70	11.40	11 40	11.40	11.40	11.55	12.48	12.90	13.20	13.94	14.30	12.28
1961	14.78	14.90	14.90	14.90	14.90	14.90	14.90	14.90	14.90	14.42	14.30	13.70	14.70
1962	13.70	13.88	14.40	15.00	15.33	15.55	15.55	15.55	15.55	16.03	17.20	17.60	15.44
						Portland, Ore.-Seattle, Wash.							
1958	14.00	14.00	14.00	14.40	14.60	14.60	14.60	14.60	14.60	14.60	14.18	13.50	14.31
1959	13.50	12.90	12.90	12.90	12.60	12.60	12.60	12.38	11.70	11.70	11.70	11.70	12.43
1960	11.70	11.70	11.40	11.40	11.40	11.40	11.55	12.48	12.90	13.20	13.94	14.30	12.28
1961	14.78	14.90	14.90	14.90	15.26	15.20	14.90	14.90	14.90	14.42	14.30	13.70	14.75
1962	13.70	13.85	14.45	14.90	15.26	15.50	15.50	15.50	15.50	15.98	16.70	17.20	15.34

Table 2.--Molasses, beet: Prices by months, f.o.b. tank car, 1958-62

Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Av.
						--Dollars per ton--							
						Denver							
1958	32.00	32.00	32.00	32.00	32.00	32.00	32.00	32.00	32.00	32.00	30.75	30.00	31.73
1959	30.00	30.00	30.00	30.00	30.00	30.00	30.00	31.50	29.00	26.12	27.50	27.37	29.29
1960	27.00	27.00	25.40	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	26.50	25.49
1961	27.00	28.16	28.00	28.00	28.00	28.00	28.00	28.00	28.00	28.00	28.00	28.00	27.93
1962	28.00	28.00	28.00	28.00	28.00	28.00	28.00	28.00	28.00	28.00	29.50	31.33	28.40
						Colorado, Wyoming and Montana (except Missoula)							
1958	32.00	32.00	32.00	32.00	32.00	32.00	32.00	32.00	32.00	32.00	32.00	32.00	32.00
1959	32.00	32.00	32.00	32.00	32.00	32.00	32.00	32.00	32.00	31.25	30.50	30.50	31.68
1960	30.50	30.50	29.30	28.50	28.50	28.50	28.50	28.50	28.50	28.50	28.50	27.00	28.78
1961	26.50	26.50	29.00	29.00	29.00	29.00	29.00	29.00	29.00	29.00	29.00	29.00	28.58
1962	29.00	29.00	29.00	29.00	29.00	29.00	29.00	29.00	29.00	29.00	29.00	31.00	29.17
						Oregon, Utah, Idaho and Missoula, Montana							
1958	35.00	35.00	35.00	35.00	35.00	35.00	35.00	35.00	35.00	34.25	32.50	31.00	34.40
1959	31.00	31.00	31.00	31.00	31.00	31.00	31.00	31.00	31.00	31.00	31.00	31.00	31.00
1960	31.00	31.00	31.00	31.00	31.00	31.00	31.00	31.00	31.00	31.00	31.00	31.00	31.00
1961	31.00	31.00	31.00	31.00	31.00	31.00	31.00	32.50	33.00	33.00	33.00	33.00	31.63
1962	33.00	33.00	33.00	33.00	33.00	33.00	33.00	33.00	33.00	33.00	33.00	33.00	33.00
						Minneapolis							
1958	40.00	40.00	-	-	-	-	-	-	-	-	-	35.00	38.33
1959	32.00	31.63	31.13	30.60	30.50	30.50	30.50	29.00	27.90	28.00	28.00	28.00	29.81
1960	27.75	27.00	26.70	26.50	26.10	26.00	26.00	26.00	26.00	27.50	29.00	30.00	27.05
1961	30.10	30.00	30.00	30.50	31.00	31.00	31.00	31.00	31.00	31.00	31.00	31.00	30.72
1962	31.00	31.00	31.25	32.00	32.00	32.00	32.00	32.00	-	-	-	-	31.66

Table 3.--Molasses, citrus and corn (hydrol): Prices by months, f.o.b. tank car, 1958-62

Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Av.
						--Dollars per ton--							
Citrus molasses						Florida Points							
1958	19.50	17.00	17.13	18.60	19.00	19.00	19.00	19.56	21.60	20.00	20.31	21.00	19.31
1959	21.25	21.25	21.25	21.25	21.25	21.25	21.00	20.38	18.40	16.87	16.00	16.50	19.72
1960	16.50	16.50	16.50	16.50	16.50	17.00	17.50	17.80	19.00	19.00	19.00	20.00	17.65
1961	21.00	19.66	19.50	19.62	20.10	20.50	20.50	20.50	20.00	20.00	20.00	20.00	20.12
1962	20.00	20.00	19.37	19.38	18.90	19.13	18.90	17.50	17.50	19.00	18.00	18.33	18.83
Corn (hydrol) molasses						Chicago							
1958	24.50	23.13	22.63	23.00	22.75	22.44	22.10	21.68	21.20	21.56	21.87	21.85	22.39
1959	22.19	22.75	22.75	22.45	22.25	21.90	21.69	21.46	19.45	18.75	18.25	18.25	21.01
1960	18.94	19.25	18.75	17.56	16.60	16.50	16.50	17.10	18.88	19.56	20.35	21.88	18.49
1961	22.85	23.08	23.50	24.00	24.65	25.44	26.88	27.00	26.50	25.30	24.75	24.25	24.85
1962	24.25	24.25	24.56	25.00	25.00	24.75	24.50	24.63	24.75	25.85	27.25	29.00	25.32
						Kansas City							
1958	24.75	23.94	24.00	24.35	23.75	22.87	23.05	23.00	22.55	23.00	23.00	22.65	23.40
1959	22.87	23.00	23.00	22.80	22.97	23.00	22.63	22.50	21.00	20.31	19.68	19.50	21.93
1960	20.13	20.50	19.90	19.31	18.45	18.00	18.00	18.60	19.75	21.37	22.60	25.25	20.16
1961	26.00	26.50	26.75	27.31	29.15	29.75	31.00	31.00	31.00	29.40	28.38	28.00	28.69
1962	27.50	27.12	27.88	28.25	28.50	28.50	28.10	27.50	27.50	28.50	30.25	31.83	28.45

Table 4.--Price comparisons between molasses and No. 2 yellow corn at New York, Chicago and Kansas City, 1953-62 1/

Year	New York			Chicago			Kansas City		
	Corn bu.	Molasses 6½ gal.	Difference	Corn bu.	Molasses 6½ gal.	Difference	Corn bu.	Molasses 6½ gal.	Difference
					--Cents--				
1953	182.5	79.1	+106.1	159.1	100.9	+58.2	157.8	118.4	+39.4
1954	185.7	77.2	+108.5	159.7	99.1	+60.6	159.2	116.7	+42.5
1955	161.2	81.1	+80.1	141.4	98.5	+42.9	148.2	116.1	+32.1
1956	169.8	109.5	+60.3	145.2	130.0	+15.2	149.7	136.4	+13.3
1957	156.8	163.7	-6.9	129.2	199.3	-70.1	130.4	204.2	-73.8
1958	156.3	115.0	+41.3	125.5	123.1	+2.4	120.0	127.4	-7.4
1959	150.6	103.0	+47.6	122.5	107.1	+15.4	117.3	111.0	+6.3
1960	143.8	89.0	+54.8	115.6	92.9	+22.7	113.6	103.1	+10.5
1961	141.8	102.2	+39.6	113.1	112.7	+0.4	112.4	125.3	-12.9
1962	142.0	102.6	+39.4	112.8	117.8	-5.0	115.0	129.5	-14.5

MOLASSES AND CORN PRICES

The relationship between molasses prices and corn prices in 1962 was less favorable for molasses. Although this relationship was not greatly changed from the previous year, 1962 marked another in a succession of recent years when corn has been priced lower than its historical relationship with molasses. 1/

The cost of a bushel of corn went up 2.6¢ in Kansas City and 0.2¢ in New York but declined 0.3¢ in Chicago during 1962. At the same time, the cost of 6 1/2 gallons of molasses advanced 5.1¢ in Chicago, 4.2¢ in Kansas City, and 0.4¢ in New York. Molasses costs were 14.5¢ above corn in Kansas City and 5¢ higher in Chicago but 39.4¢ below the cost of corn in New York.

1/ A "rule of thumb" measure -- 6 1/2 gallons of molasses are about equivalent in carbohydrate value to one bushel of corn -- is widely used to compare the carbohydrate value of molasses and corn. This measure is based on experiments conducted to evaluate the energy produced from one bushel of corn and the amount of molasses required to produce the same amount of energy.

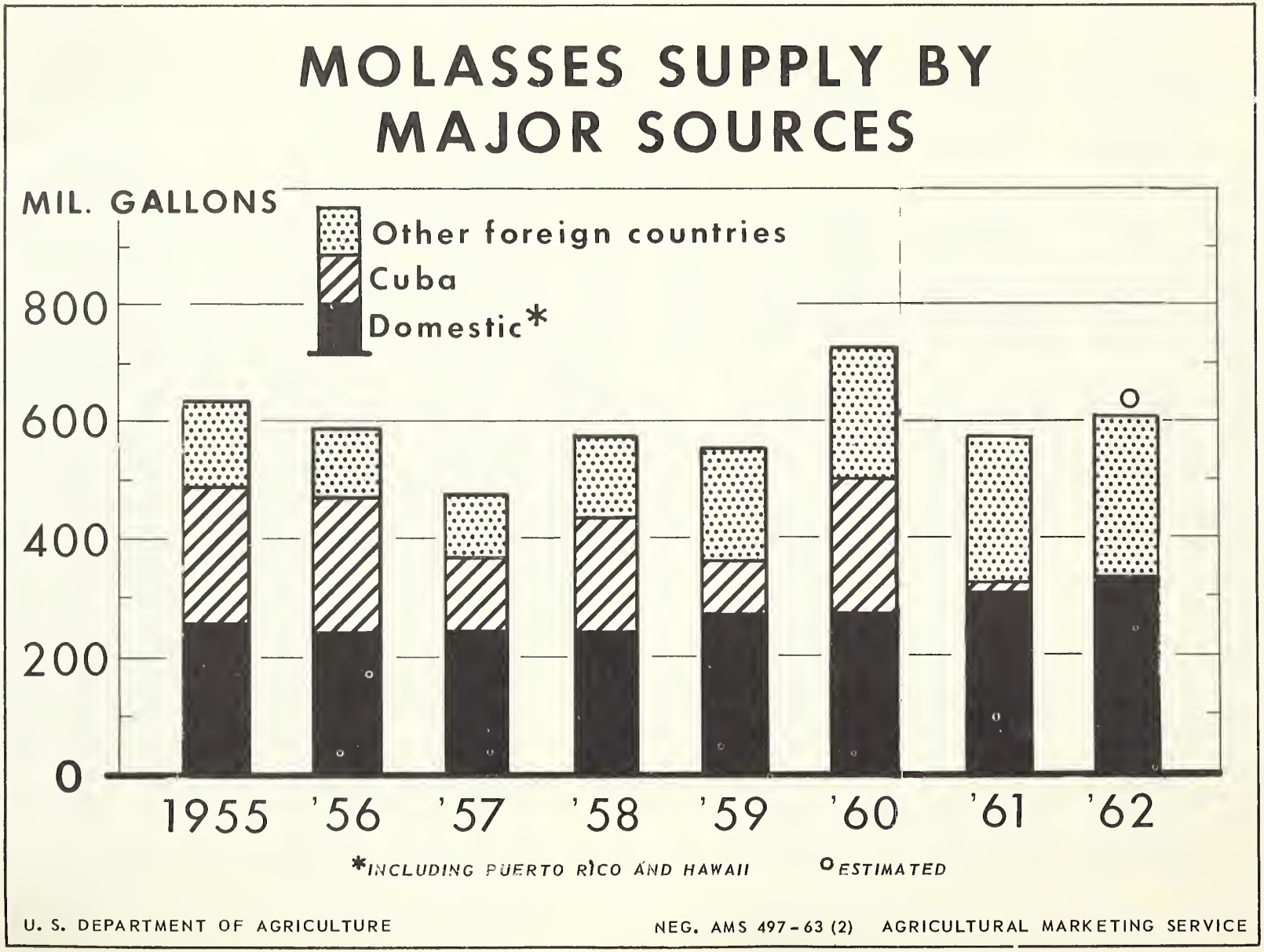
MOLASSES SUPPLY BY MAJOR SOURCES
MIL. GALLONS
Other foreign countries
Cuba
Domestic*
800
600
400
200
0
1955
'56
'57
'58
'59
'60
'61
'62
*INCLUDING PUERTO RICO AND HAWAII
oESTIMATED
U. S. DEPARTMENT OF AGRICULTURE
NEG. AMS 497-63 (2) AGRICULTURAL MARKETING SERVICE

FIGURE 2

Table 5.--Molasses: Production, exports and shipments to the United States from principal supplying areas, 1946-62

Year	Cuba		Puerto Rico			Hawaii		
	Production 1/	Exports to United States	Production	Shipments to United States	Exports to other countries	Production	Shipments to United States	Exports to other countries
	--1,000 gallons--							
1946	233,650	57,968	38,400	17,287	-	36,121	32,226	-
1947	299,400	105,387	50,800	31,956	-	48,768	37,461	-
1948	332,000	139,258	54,800	44,811	4,441	43,515	44,271	-
1949	291,599	161,872	59,275	43,589	5,603	43,006	42,523	-
1950	262,365	186,784	49,522	31,224	6,658	41,381	41,076	355
1951	288,625	130,472	60,300	49,951	1,528	44,723	41,572	-
1952	397,900	186,676	69,800	52,252	4,021	44,041	37,942	505
1953	278,300	291,352	59,856	32,651	13,258	51,319	47,558	-
1954	367,754	202,940	61,600	37,558	7,923	51,759	46,530	-
1955	429,235	232,696	56,246	44,232	6,033	51,052	50,413	-
1956	324,460	232,329	56,899	34,726	6,765	52,644	49,401	1,916
1957	253,265	117,471	52,600	20,439	19,402	52,340	54,140	-
1958	310,600	188,428	56,800	26,611	10,157	52,768	43,974	4,642
1959	314,300	90,497	60,755	24,238	19,239	56,849	60,239	7,771
1960	287,206	228,643	58,474	30,289	15,162	50,817	49,692	-
1961	2/ 320,000	12,417	62,372	38,618	8,224	56,423	50,653	-
1962 2/	210,000	3	56,200	33,000	13,014	57,611	54,911	-

1/ Includes 131.7 million gallons of high-test molasses in 1954, 231.5 million in 1955, 111.4 million in 1956, 79.6 million in 1958, 4.8 million each in 1959 and 1960, and an estimated 2 million in 1961.
2/ Estimated.

Source: Bureau of the Census, Cuban Sugar Stabilization Institute, Association of Sugar Producers of Puerto Rico, California and Hawaiian Sugar Corporation, Ltd., and the Hawaiian Sugar Planters Association.

Table 6.--Feed and industrial molasses: Mainland production, inshipments, imports, and exports, 1951-62

Year	Mainland production						Offshore shipments to the mainland		
	Cane	Beet 1/	Refiners' blackstrap	Citrus	Hydrol 2/	Total	Hawaii	Puerto Rico	Total
	--1,000 gallons--								
1951	44,350	45,578	32,775	11,926	18,411	153,040	41,572	49,951	91,523
1952	51,901	38,583	36,221	9,333	18,063	154,101	37,942	52,252	90,194
1953	48,682	47,628	36,123	7,382	18,792	158,607	47,558	32,651	80,209
1954	46,050	52,351	31,836	8,804	17,873	156,914	46,530	37,558	84,088
1955	49,187	52,061	32,954	8,422	15,502	158,126	50,413	44,232	94,645
1956	38,067	51,955	40,303	7,878	16,851	155,054	49,401	34,726	84,127
1957	42,532	63,171	39,370	10,474	16,249	171,796	54,140	20,439	74,579
1958	40,300	67,324	40,012	6,328	20,336	174,300	43,974	26,611	70,585
1959	42,826	76,920	40,333	7,669	21,494	189,242	60,239	24,238	84,477
1960	46,686	79,079	40,686	5,155	23,324	194,930	49,692	30,289	79,981
1961	60,067	3/ 85,000	45,812	5,949	23,153	219,981	50,653	38,618	89,271
1962 3/	69,000	87,000	47,132	9,700	23,595	236,427	54,911	33,000	87,911

Year	U. S. imports					Mainland exports 4/	Available supplies
	Cuba	Dominican Republic	Mexico	Other	Total		
	--1,000 gallons--						
1951	130,472	16,693	25,195	56,029	228,389	2,649	470,303
1952	186,676	27,946	21,547	59,952	296,121	897	539,519
1953	291,352	26,199	31,829	61,385	410,765	1,563	648,018
1954	202,940	23,516	37,810	76,142	340,408	4,843	576,567
1955	232,696	34,573	43,277	67,266	377,812	4,863	625,720
1956	232,329	31,652	29,820	58,288	352,089	879	590,391
1957	117,471	21,789	40,059	52,217	231,536	2,545	475,366
1958	188,428	24,761	46,539	74,580	334,308	2,166	577,027
1959	90,497	47,426	61,651	82,563	282,137	2,372	553,484
1960	228,643	62,281	75,635	83,087	449,646	3,032	721,525
1961	12,417	53,834	70,807	123,437	260,495	2,220	3/ 567,527
1962	3	51,705	63,987	162,683	278,378	2,265	3/ 600,451

1/ Year harvested basis.
2/ Prior to 1955 estimated by multiplying total domestic dextrose sales and exports by a constant, assuming 2.58 gallons of hydrol per 100 pounds of dextrose.
3/ Estimated.
4/ Do not include exports from Hawaii and Puerto Rico.

Source: Agricultural Stabilization and Conservation Service, Bureau of the Census, Florida Citrus Processors Association, Hawaiian Sugar Planters Association, and Price-Waterhouse and Company.

SUPPLIES

Supplies of molasses available for feed and industrial use in 1962 were estimated at 600 million gallons -- 33 million gallons, or 6 percent, more than in 1961. While 1962 supplies were well below the record 722 million gallons available in 1960, they were 21 million gallons above average for the past 5 years and 13 million gallons above the 10-year (1952-61) average. This indicated that greater domestic production and much larger imports from other countries have more than offset the loss of Cuba from the U. S. molasses supply picture.

Domestic Supplies

Domestic sources provided 324 million gallons of the total 1962 molasses supply. This was 15 million gallons more than in 1961 and accounted for about 54 percent of the total U. S. supply. Mainland production reached a record 236 million gallons, or about 16 million more than in 1961. Shipments from Hawaii and Puerto Rico to the mainland totaled 88 million gallons -- around 1 million less than in 1961. An increase in Hawaiian shipments was more than offset by a drop in shipments from Puerto Rico.

Blackstrap molasses production by mainland cane mills in 1962 was estimated at 69 million gallons -- 9 million more than in 1961. Despite freeze damage to sugarcane crops early in 1962, a sharp rise in Florida's sugarcane and molasses production more than compensated for the drop to more normal levels in Louisiana's cane and molasses production. Output of beet molasses, according to preliminary estimates, reached a record 87 million gallons, or 2 million gallons more than the revised estimate of 85 million gallons produced in 1961. This reflected the all-time high sugar beet acreage and production in 1962. Refiners' blackstrap production totaled 47 million gallons, or about 1 million more than in 1961. Production of 9.7 million gallons of citrus molasses in 1962 ran almost 4.7 million gallons larger than in 1961, reflecting the larger citrus crop. Output of citrus molasses was the highest it has been since 1957.

Hawaii shipped nearly 55 million gallons of molasses to the mainland in 1962, or about 4 million gallons more than in 1961. Production of molasses in Hawaii soared to a record 57.6 million gallons -- 1.2 million more than in 1961 and about 800,000 gallons more than the previous high of 56.8 million in 1959. A large carryover at the beginning of 1962, plus the record production, made it possible for Hawaii to ship such a large quantity to the mainland.

Puerto Rican shipments to the mainland, on the other hand, declined to about 33 million gallons in 1962. This was about 5 million gallons less than in 1961. At the same time, Puerto Rican molasses production dropped to 56 million gallons compared with 62.4 million in 1961. However, nearly one-fourth, or 13 million gallons, of Puerto Rico's production was exported to foreign countries.

Imports

The United States imported around 278 million gallons of molasses in 1962. This was an increase of about 18 million gallons, or 7 percent, over 1961.

Table 7.--Molasses, inedible: U. S. imports by country of origin, 1958-62

Country of origin	1962	1961	1960	1959	1958
	--1,000 gallons--				
Canada	549	722	1,534	2,523	1,749
Mexico	63,987	70,807	75,635	61,651	46,539
British Honduras	391	214	771	503	-
Nicaragua	3,172	1,704	2,075	3,030	2,579
Cuba	3	12,417	228,643	90,497	118,428
Jamaica	21,753	17,313	22,335	10,170	7,347
Haiti	4,176	5,394	2,942	2,921	3,112
Dominican Republic	51,705	53,834	62,281	47,426	24,761
Leeward & Windward Islands	-	1,165	442	-	-
Barbados	5,532	1/ 2,331	4,523	2,395	4,767
Trinidad & Tobago	16,755	6,395	2,690	7,358	2,219
French West Indies	8,052	8,805	4,568	2,530	4,336
British Guiana	17,057	3,045	289	2,942	-
Ecuador	4,011	1,232	2,106	300	4,626
Peru	19,229	9,201	5,629	4,709	4,605
Denmark	-	-	-	-	4,713
United Kingdom	-	-	-	-	1,107
Netherlands	2,211	4,486	2,360	2,225	6,143
France	8,310	23,927	5,244	9,348	9,446
Poland	-	-	978	-	-
Spain	-	-	-	6,793	553
Turkey	-	-	5,585	-	-
Rumania	-	8,886	4,660	-	-
India	4,518	-	-	4,488	-
Pakistan	1,774	-	-	1,197	-
Indonesia	-	4,065	2,276	2,207	2,213
Philippines	15,625	7,165	6,406	5,708	4,181
Taiwan (Formosa)	719	590	5,674	11,216	2,314
UAR (Egypt)	8,533	1,822	-	-	7,897
Mauritius	13,353	7,476	-	-	456
Malagasy Republic	1,613	1,564	-	-	217
Republic of South Africa	5,350	5,935	-	-	-
Total	278,378	260,495	449,646	282,137	334,308

1/ Revised.

Source: Bureau of the Census

Table 8.--Molasses, inedible: U. S. exports by country of destination, 1958-62 1/

Country	1962	1961	1960	1959	1958
	--1,000 gallons--				
Canada	6,939	4,440	3,050	2,113	3,876
Iceland	170	30	-	19	-
United Kingdom	575	5,916	11,729	13,833	11,899
Netherlands	7,489	-	3,411	3,408	1,045
Belgium & Luxembourg	-	-	-	1,613	-
France	-	4	-	8,160	-
Other	106	54	4	236	145
Total	15,279	10,444	18,194	29,382	16,965

1/ Includes exports from Hawaii and Puerto Rico.

Source: Bureau of the Census

Table 9.--Molasses, inedible: U. S. imports by customs districts, 1958-62

Customs Districts	1962	1961	1960	1959	1958
	--1,000 gallons--				
Maine and New Hampshire	133	75	35	34	39
Vermont	44	-	7	-	49
Massachusetts	3,474	2,309	4,788	2,196	4,983
Connecticut	3,779	14,683	12,582	9,598	10,006
St. Lawrence	-	-	549	-	3
Buffalo	4,100	2,045	6,204	6,968	1,134
New York	53,671	1/ 66,606	57,282	43,783	54,623
Philadelphia	7,658	5,539	111,702	20,898	75,097
Maryland	14,659	14,260	15,813	8,966	7,610
Virginia	3,408	4,030	3,359	4,373	2,201
North Carolina	2,749	4,716	4,212	5,301	4,478
Georgia	-	1,264	3,180	2,534	2,921
Florida	3,804	7,401	7,172	1,904	1,618
Mobile	8,405	5,580	16,204	17,628	10,047
New Orleans	70,344	54,895	115,918	89,309	105,396
Sabine	2,168	1,951	1,841	1,592	821
Galveston	50,462	26,743	33,211	31,671	21,492
Laredo	102	1,427	2,272	1,892	1,536
El Paso	7,166	6,479	6,817	3,944	3,758
Arizona	3,751	3,660	5,567	1,711	1,235
Los Angeles	18,632	22,720	26,553	14,736	20,094
San Diego	4,656	-	-	-	-
San Francisco	11,580	7,852	10,360	7,662	4,582
Montana and Idaho	10	-	2	80	-
Dakota	7	-	155	431	537
Duluth and Superior	-	-	-	84	45
Michigan	206	-	-	8	-
Ohio	3,410	6,260	3,827	4,834	3
Oregon	-	-	34	-	-
Total	278,378	260,495	449,646	282,137	334,308

1/ Revised.

Source: Bureau of the Census

Table 10.--Molasses, inedible: U. S. exports by customs districts, 1958-62

Customs Districts	1962	1961	1960	1959	1958
	--1,000 gallons--				
New York	222	58	-	23	330
Washington	1,798	1,740	2,261	1,696	1,489
Hawaii	-	-	-	7,771	4,642
Montana and Idaho	7	48	110	7	-
Dakota	3	-	12	15	9
Michigan	168	232	74	26	33
Puerto Rico	13,014	8,224	15,162	19,239	10,157
St. Lawrence	-	33	7	-	160
Philadelphia	-	6	-	-	5
San Diego	36	3	4	-	4
New Orleans	6	-	-	-	-
Buffalo	12	79	3	-	-
Florida	-	-	561	-	-
Other	13	21	-	605	136
Total	15,279	10,444	18,194	29,382	16,965

Source: Bureau of the Census

Despite the slight increase, 1962 imports were the second smallest for any year since 1957. Imported molasses accounted for 46 percent of total U. S. supplies in 1962 -- the same as in 1961.

With Cuba out of the import picture, Mexico and the Dominican Republic were our largest foreign sources of molasses. Both countries, however, shipped less molasses to the United States in 1962 than in 1961. Imports of nearly 64 million gallons from Mexico and almost 52 million gallons from the Dominican Republic were 10 and 4 percent, respectively, smaller than in 1961.

Molasses imports from other foreign countries, on the other hand, hit an all-time high of about 163 million gallons -- 32 percent more than the previous record in 1961. This gain more than offset the decline in imports from Mexico and the Dominican Republic.

Foreign sources of molasses imported into the United States showed several significant changes in 1962. With the sharp drop in European sugar beet production, imports from such suppliers as France, the Netherlands, and Rumania were much smaller. In fact, imports from these countries were only about a fourth of the previous year's total. France showed the biggest change -- dropping from almost 24 million gallons in 1961 to about 8 million gallons in 1962. No molasses was imported from Rumania in 1962 compared with nearly 9 million gallons in 1961. However, imports from British Guiana, Trinidad and Tobago, Peru, the Philippines, the United Arab Republic (Egypt), Mauritius, and Jamaica increased sharply. Also, takings from Barbados, Ecuador, and Nicaragua showed sizable gains, while substantial quantities were imported from India and Pakistan for the first time in 3 years.

About 72 percent, or nearly 201 million gallons, of the total molasses imported into the United States in 1962 came in through the New York, Philadelphia, New Orleans, Galveston, and Los Angeles customs districts. These same districts accounted for 68 percent of the 1961 total. The Galveston district showed the most notable change. Imports through it reached 50 million gallons -- 89 percent more than in 1961. More molasses also came into this country through the New Orleans and Philadelphia districts during 1962, but entries through New York and Los Angeles declined moderately.

Exports

U. S. exports of molasses in 1962 totaled around 15 million gallons -- 5 million more than in 1961. Most of this was exported as usual from Puerto Rico. The 13 million gallons exported from Puerto Rico directly to foreign countries ran 58 percent larger than in 1961. Hawaii again shipped all of its outgoing molasses directly to the mainland, and exports to foreign countries were nil for the third consecutive year.

Exports through the New York customs district, although relatively small, were up sharply. The Washington and San Diego districts showed slight increases, but exports through most other districts decreased.

The United Kingdom traditionally has been our largest customer for molasses. However, U. S. exports to that country dropped to 575,000 gallons in 1962,

compared with nearly 6 million gallons in 1961. This drop was more than offset, on the other hand, by larger exports to Canada and the Netherlands. Exports of nearly 7 million gallons to Canada were about 2 1/2 million gallons larger than in 1961. While no U. S. molasses was exported to the Netherlands in 1961, takings of almost 7.5 million gallons in 1962 made that country our largest foreign customer. Exports of 170,000 gallons to Iceland and 106,000 gallons to other countries also were above the 1961 figures.

Table 11.--Molasses: Estimated utilization, United States, 1951-62

Year	Industrial				Mixed feeds, direct feeding and silage 2/	Total utilization
	Distilled spirits 1/	Yeast, citric acid and vinegar	Pharmaceuticals and other edibles	Total		
	--Million gallons--					
1951	160.9	52.0	7.0	219.9	250.4	470.3
1952	169.2	53.0	7.0	229.2	310.3	539.5
1953	208.4	55.0	8.0	271.4	376.6	648.0
1954	87.8	60.0	10.0	157.8	418.8	576.6
1955	121.3	65.0	12.0	198.3	427.4	625.7
1956	111.9	70.0	14.0	195.9	394.5	590.4
1957	59.2	70.0	14.0	143.2	332.2	475.4
1958	61.7	70.0	15.0	146.7	430.3	577.0
1959	35.3	71.0	15.0	121.3	432.2	553.5
1960	69.0	74.0	3/ 37.0	180.0	541.5	721.5
1961	8.5	70.4	47.1	126.0	441.5	567.5
1962 4/	5.9	79.8	38.7	124.4	476.1	600.5

1/ Includes molasses used in making ethyl alcohol, butyl and acetone prior to 1959.

2/ Molasses utilized in feeds is a residual item, calculated by subtracting molasses used industrially from total mainland supplies without considering changes in stocks.

3/ Pharmaceutical utilization not considered prior to 1960.

4/ Estimated.

UTILIZATION

Molasses used for feeding and industrial purposes in 1962 was estimated at 600 million gallons, or 6 percent more than in 1961. Although this was 17 percent below the record 722 million gallons used for these purposes in 1960, it was still well above the 10-year average feed and industrial use. Actual utilization, however, may vary from the above figures since year-end inventory stocks are unavailable and, therefore, are not taken into consideration.

Molasses used for livestock feed in 1962 was estimated at 476 million gallons -- about 34 million gallons more than the previous year and the second largest of record.

Manufacturers of yeast, citric acid and vinegar used 80 million gallons of molasses in 1962 -- 9 million gallons, or 13 percent, more than the previous year. However, molasses used in the production of pharmaceuticals, edible molasses and sirups dropped to about 39 million gallons. This use was down 8 million gallons, or 18 percent, from 1961.

Molasses used in the production of alcohol and distilled spirits in 1962 dwindled to slightly under 6 million gallons. This was 2.6 million gallons less than in 1961 and the least for any year of record. The steadily increasing use of petroleum products in making alcohol since the end of World War II greatly reduced the use of molasses in distillation. In order to facilitate the use of molasses for feeding when imports from Cuba were stopped in 1961, the U. S. Department of Agriculture, through contractual arrangements running from mid-1961 to mid-1962, virtually eliminated the use of molasses for distillation. These arrangements tended to offset reduced imports and to stabilize at a more normal level the supply of molasses for feed and other domestic industrial uses. Since the middle of 1962, the cost of molasses has prevented to a large extent the use of molasses by the distilling industry.

Table 12.--Molasses used in the production of alcohol and distilled spirits, by months, 1958-62 1/

Month	1962	1961	1960	1959	1958
			--1,000 gallons--		
January	239	1,031	2,356	3,162	7,967
February	1,250	1,114	684	3,621	7,427
March	476	1,626	4,083	4,573	5,281
April	1,303	2,087	8,679	4,903	4,366
May	168	881	8,229	5,200	6,515
June	105	319	7,978	4,549	3,353
July	640	125	6,819	1,751	3,352
August	330	226	5,053	1,844	1,297
September	286	255	3,366	1,677	3,405
October	235	210	1,355	1,642	4,797
November	456	394	1,302	801	3,466
December	2/ 375	198	764	1,600	3,044
Total	5,863	8,466	50,668	35,323	54,270

1/ Includes molasses used in making ethyl alcohol prior to 1959.
2/ Estimated.

Source: Internal Revenue Service

WORLD PRODUCTION AND TRADE

World production of industrial molasses in the 1961-62 crop year -- the latest year for which data were available -- was estimated by USDA's Foreign Agricultural Service at almost 2.9 billion gallons. This was 159 million below the record 3 billion gallons produced in 1960-61, but was 436 million gallons above the 5-year 1955-59 average.

Production dropped sharply in most North American, West European and Asian countries except the United States, Spain and the Philippines. Molasses production increased slightly in South America, Africa and Oceania, but this increase only partly offset the sharp drop elsewhere.

World trade in molasses declined in 1961, reflecting for the most part reduced output in major producing countries. Cuba, the Dominican Republic, Jamaica, Mexico, Indonesia, and the Philippines remained the world's leading exporters. However, France and Fiji joined the list of countries exporting 20 million or more gallons of molasses. Most of these countries traditionally export more than three-fourths of the molasses they produce.

World imports of molasses in 1961 totaled 542 million gallons -- 24 percent less than the 717 million gallons imported in 1960. Leading importers of industrial molasses, with imports in million gallons in parentheses, were: the United States (261), the United Kingdom (78), Japan (72), Canada (26), the Netherlands (24), and Australia (22). In each of these countries except the United States, Australia and the Netherlands imports exceeded total domestic production and, therefore, accounted for more than half of the total molasses used within the country.

Based on preliminary estimates by the Foreign Agricultural Service, world molasses production in 1962-63 is expected to total around 2.8 billion gallons. Imports by the United States, the United Kingdom and Japan -- the world's leading importers -- are estimated at 426 million gallons for 1962, or 15 million more than 1961.

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